

**VIRGINIA:**

**BEFORE THE VIRGINIA GAS AND OIL BOARD**

**APPLICANT:** POCAHONTAS GAS PARTNERSHIP,  
a Virginia partnership composed  
of Consolidation Coal Company,  
a Delaware corporation, and  
CONOCO, Inc., a Delaware corporation

) VIRGINIA GAS  
) AND OIL BOARD  
)  
) DOCKET NOS.  
) VGOB-95/04/18-0499;  
) VGOB-95/04/18-0499-01  
)

**RELIEF SOUGHT:**

POOLING OF INTERESTS IN DRILLING UNITS W-29  
AND W-29/B LOCATED IN THE OAKWOOD COALBED  
GAS FIELDS I & II PURSUANT TO VA. CODE ANN.  
§ 45.1-361.22 (MICHIE 1994), FOR THE  
PRODUCTION OF OCCLUDED NATURAL GAS PRODUCED  
FROM COALBEDS AND ROCK STRATA ASSOCIATED  
THEREWITH, INCLUDING COALBED METHANE GAS  
FROM COALBED METHANE WELLS PRODUCING IN  
ADVANCE OF MINING AND UNSEALED GOB GAS,  
SHORT HOLE GAS AND GAS FROM ANY WELL  
AUTHORIZED BY THE CODE OF VIRGINIA (1950,  
AS AMENDED) (hereinafter collectively referred to as  
"Coalbed Methane Gas" or "Gas")

**LEGAL**

**DESCRIPTION:** OAKWOOD I & II FIELD UNITS W-29  
AND W-29/B (hereafter "Subject Drilling  
Units") IN THE OAKWOOD COALBED GAS  
FIELDS I & II, KEEN MOUNTAIN  
QUADRANGLE, BUCHANAN COUNTY,  
VIRGINIA (the "Subject Lands" are more  
particularly described on Exhibit A,  
attached hereto and made a part hereof)

**REPORT OF THE BOARD**

**FINDINGS AND ORDER**

1. **Hearing Date and Place:** This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on April 18, 1995, Ratliff Hall, Southwest Virginia 4-H Educational Center, Abingdon, Virginia, and again on October 24, 1995, Rhododendron Restaurant, Breaks Interstate Park, Breaks, Virginia.

2. **Appearances:** Elizabeth A. McClanahan, of Penn, Stuart, Eskridge & Jones, appeared for the Applicant on both hearing dates; and Sandra B. Riggs, Assistant Attorney General, was present to advise the Board on both hearing dates.

3. Jurisdiction and Notice: Pursuant to Va. Code Ann. §§ 45.1-361.1 *et seq.* (Michie 1994 & Supp. 1995), the Virginia Gas and Oil Board (hereafter "Board") finds that it has jurisdiction over the subject matter. Based upon the evidence presented by the Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a search of the reasonably available sources to determine the identity and whereabouts of all gas and oil owners, coal owners, mineral owners, and/or potential owners, i.e., persons identified by Applicant as having ("owner") or claiming ("claimant") the rights to Coalbed Methane Gas in all coal seams below the Tiller seam (hereafter "Subject Formations") in Subject Drilling Units underlying and comprised of Subject Lands; (2) has given notice to all such parties so identified (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code Ann. §§ 45.1-361.19 and 45.1-361.22 (Michie 1994) to notice of the application filed under docket number VGOB-95/04/18-0499 (hereafter the "Oakwood II Application") and the application filed under docket number VGOB-95/04/18-0499-01 (hereafter the "Application"); and (3) that the persons set forth in Exhibit C hereto are persons identified by Applicant through its due diligence who may be owners or claimants of Coalbed Methane Gas interests in Subject Formations, in the Subject Drilling Units pursuant to the Oakwood Coalbed Gas Fields I and II underlying and comprised of Subject Lands. Further, the Board has caused notice of this hearing to be published as required by Va. Code Ann. § 45.1-361.19(B) (Michie 1994). Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Amendments: Exhibits A, C, D and E to the Application. The Application was also modified to include a location exception for the well drilled pursuant to the Oakwood Field I Order (see below).

5. Dismissals: None.

6. Relief Requested: Applicant requests that pursuant to Va. Code Ann. § 45.1-361.22 (Michie 1994), including the applicable portions of Va. Code Ann. § 45.1-361.21 (Michie Supp. 1995), the Board pool all the rights, interests, and estates in and to the Gas in Subject Drilling Units, including the pooling of the interests of the known and unknown persons on Exhibit "C" hereto and that of their known heirs, executors, administrators, devisees, trustees, assigns, and successors, both immediate and remote and unknown, for the drilling and operation, including production, of Coalbed Methane Gas, produced from the Subject Drilling Units established for the Subject Formations underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "well development and/or operation in the Subject Drilling Unit"); (2) grant a location exception, pursuant to Va. Code Ann. §§ 45.1-361.1 *et seq.* (Michie 1994 and Supp. 1995) and VR 480-05-22.2 § 6 (1991), for and approving the location of Well CBM-PGP-124D, which well is located within 300 feet of the boundary of Subject Drilling Units; and (3) that the Board designate Pocahontas Gas Partnership as Unit Operator. The relief requested by the Applicant is more particularly described as set forth in Paragraph 4 of the Oakwood II Application and the Application.

7. Relief Granted: The requested relief in this cause be and hereby is granted: (1) Pursuant to Va. Code Ann. § 45.1-361.21(C)(3) (Michie Supp. 1995), Pocahontas Gas Partnership (hereafter "Unit Operator") is designated as the Unit Operator authorized to drill and operate one or more Coalbed Methane wells in the Subject Drilling Units, subject to: the permit provisions contained in Va. Code Ann. §§ 45.1-361.27 *et seq.* (Michie 1994 & Supp. 1995); to the Oakwood I Coalbed Gas Field Order OGCB 3-90, dated May 18, 1990, as amended by VGOB-93/03/16-0325 and VGOB-93/03/16-0348 ("Oakwood Field I Order"); to the Oakwood II Coalbed Methane Gas Field, Order VGOB-91/11/19-0162, effective as of December 17, 1992, as amended by VGOB-93/02/16-0336, VGOB-93/03/16-0348 and VGOB-93/03/16-0349 ("Oakwood Field II Order"); to V.R. 480-05-22.1 (1991); and to V.R. 480-05-22.2 (1991), all as amended from time to time; (2) a location exception

is granted for and the Board approves the location of Well CBM-PGP-124D in the location depicted in Exhibit B-1 hereto; and (3) all the interests and estates in and to the Gas in Subject Drilling Units, including that of the known and unknown persons listed on Exhibit "C," attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns, and successors, both immediate and remote, be and hereby are pooled in the Subject Formations in the Subject Drilling Units underlying and comprised of the Subject Lands.

<u>Subject Formations</u>	<u>Unit Size &amp; Shape</u>	<u>Permitted Well Locations</u>	<u>Field and Well Classifications</u>	<u>Order No. &amp; Date</u>
All coal seams below the Tiller, including the Upper Seaboard, Greasy Creek, Middle Seaboard, Lower Seaboard Upper Horsepen, Middle Horsepen, War Creek, Lower Horsepen Pocahontas No. 9, Pocahontas No. 8, Pocahontas No. 7, Pocahontas No. 6, Pocahontas No. 5, Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 2 and various unnamed coal seams, coalbeds or pools, and rock strata associated therewith.	Approximately 80-acre square.	Under Oakwood I - One well located as depicted on Exhibit B-1 as authorized by the exception granted in Paragraph 7 hereof. Under Oakwood II - Any point within the unit.	Oakwood Coal Bed Gas Field I / Oakwood Coalbed Gas Field II	Oakwood I - Oakwood Coal Bed Gas Field Order No. OGCB 3-90, as amended by VGOB-93-0216-0325 and VGOB 93-0316-0348. Oakwood II - Oakwood Coalbed Methane Gas Field II Docket No. 91-1119-0162, as amended by Orders issued in VGOB Docket Nos.: 93-0216-0325, 93-0216-0348 and 93-0316-0349, and the relief granted in Docket No. VGOB 95-0418-0498.

For the Subject Drilling Units  
underlying and comprised of the Subject  
Lands referred to as:

Units Number W-29 & W-29/B  
Buchanan County, Virginia

Pursuant to the Board's Order No. VGOB-91/11/19-0162, as amended, the Board has adopted the following method for the calculation of production and revenue and allocation of allowable costs for short hole and unsealed gob production of Coalbed Methane Gas dependant upon the particular long wall mining plan applicable to each 80-acre drilling unit.

The designated operator of any 80-acre drilling unit or units within the boundaries of any long wall panel which has been isolated by the driving of entries is located and from which Unsealed Gob Gas, Short Hole Gas or Gas from any Well authorized by the Code of Virginia is produced, shall calculate production and revenue based upon the mine plan as implemented within each affected 80-acre drilling unit and in particular, based upon the mineral acreage, as platted upon the surface, in each 80-acre drilling unit actually contained within a long wall panel as depicted by said mine plan. Except as otherwise provided herein, a copy of the pertinent portion of the mine plan being utilized to calculate production, revenue and costs from any affected 80-acre drilling unit shall be filed of record with the Board prior to the payment of any revenue based upon such calculations. The formula or division of interest for production from any 80-acre drilling unit affected by a long wall panel and from any separately owned tract in any such 80-acre unit shall be calculated as follows:

- 7.1. For Short Hole Gas - The amount of production produced from and attributed to each 80-acre drilling unit shall be the ratio (expressed as a percentage) that the amount of mineral acreage, when platted on the surface, which is both in the affected unit and the long wall panel bears to the total mineral acreage, when platted on the surface, contained within the entire long wall panel affecting such 80-acre drilling unit.
- 7.2. For Unsealed Gob Gas - The amount of production produced from and attributed to each 80-acre drilling unit shall be the ratio (expressed as a percentage) that the amount of mineral acreage, when platted on the surface, which is both in the affected unit and the long wall panel, bears to the total mineral acreage, when platted on the surface, contained within the entire long wall panel affecting such 80-acre drilling unit.
- 7.3. i. For Gas from Any Well Located in a Long Wall Panel. - After actual commencement of coal mining operations by the driving of entries and completion of isolation of a long wall panel, the amount of Gas produced from such a well and attributed to each 80-acre drilling unit shall be the ratio (expressed as a percentage) that the amount of mineral acreage, when platted on the surface, which is both in the affected 80-acre drilling unit and the isolated long wall panel, bears to the total mineral acreage, when platted on the surface, contained within the entire long wall panel affecting such 80-acre drilling unit.
- ii. For Frac Well Gas. - Prior to the actual commencement of coal mining operations by the driving of entries and completion of isolation of a long wall panel, gas from any well located in a proposed long wall panel shall be produced from and allocated to only the 80-acre drilling unit in which the well is located according to the undivided interests of each owner/claimant within the unit, which undivided interest shall be the ratio (expressed as a percentage) that the amount of mineral acreage within each separate tract that is within the Subject Drilling Units, when platted on the surface, bears to the total mineral acreage, when platted on the surface, contained within the entire 80-acre drilling unit.

8. Election and Election Period: In the event any Gas owner or claimant named in Exhibit "D" hereto does not reach a voluntary agreement to share in the operation of the wells to be located in the Subject Drilling Units at a rate of payment mutually agreed to by said Gas owner or claimant and the Applicant or Operator, then such person named may elect one of the options set forth in Paragraph 9 below and must give written notice of the election of the option selected under Paragraph 9 to the designated Unit Operator at the address shown below within thirty (30) days from the date this Order is recorded in the county above named. A timely election shall be deemed to have been made if, on or before the last day of the 30-day period, such electing person has delivered a written election to the designated Unit Operator at the address shown below or has duly postmarked and placed the written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

- 9.1. Option 1 - To Participate In the Development and Operation of the Drilling Unit: Any Gas owner or claimant named in Exhibit "D" who does not reach a voluntary agreement with the Applicant or Operator may elect to participate in the development and operation of the Subject Drilling Units (hereafter "Participating Operator") by agreeing to pay the estimate of such Participating Operator's proportionate part of the actual and reasonable costs, including a reasonable supervision fee, of the well development and operation in the Subject Drilling Units, as more particularly set forth in V.R. 480-

05-22.2 § 10 (1991) (herein "Allocable, Completed-for-Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Allocable, Completed-for-Production Costs as set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The estimated Allocable, Completed-for-Production Costs for the Subject Drilling Units are as follows:

Estimated Allocable, Completed-for-Production Costs:

Panel 4 East	\$122,878.27
Panel 5 East	<u>91,867.34</u>
Total	\$214,745.61

A Participating Operator's proportionate cost hereunder shall be the total of the results obtained by multiplying the Participating Operators' "Division of Interest" in each panel located within Subject Drilling Units as set forth in the fourth and fifth columns, respectively, of Exhibit "C", times that panel's Estimated Allocable, Completed-for-Production Cost set forth above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay the estimate of the proportionate part of the Estimated Allocable, Completed-for-Production Cost as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

- 9.2 Option 2 - To Receive a Cash Bonus Consideration: In lieu of participating in the development and operation of Subject Drilling Units under Paragraph 9.1 above, any Gas owner or claimant named in Exhibit "D" who does not reach a voluntary agreement with the Applicant or Operator may elect to accept a cash bonus consideration of One Dollar (\$1.00) per net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from the Subject Drilling Units, and thereafter royalty of one-eighth of eight-eighths (1/8 of 8/8ths) [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Coalbed Methane Gas produced from any well development covered by this Order multiplied by that person's Division of Interest or proportional share of said production (for purposes of this Order, net proceeds shall be actual proceeds received less all post-production costs incurred downstream of the wellhead, including, but not limited to, all gathering, compression, treating, transportation, and marketing costs, whether performed by Unit Operator or a third person) as fair, reasonable, and equitable compensation to be paid to said Gas owner or claimant. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid, or escrowed within sixty (60) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from Subject Drilling Units has not theretofore commenced, and once due, shall be tendered, paid, or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, subject to a final legal determination of ownership, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing person in and to the Gas produced from Subject Formations in the Subject Lands, except, however, for the 1/8 royalties due hereunder.

Subject to a final legal determination of ownership, the election made under Paragraph 9.2, when so made, shall be satisfaction in full for the rights, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to have and does hereby lease and assign, its rights, interests, and claims in and to the Gas produced from Subject Formations in the Subject Drilling Units to the Unit Operator.

- 9.3. Option 3 - To Share in the Development and Operation As a Non-Participating Person on a Carried Basis and to Receive Consideration in Lieu of Cash: In lieu of participating in the development and operation of Subject Drilling Units under Paragraph 9.1 above and in lieu of receiving a cash bonus consideration under Paragraph 9.2 above, any Gas owner or claimant named in Exhibit "D" hereto who does not reach a voluntary agreement with the Applicant or Unit Operator may elect to share in the development and operation of Subject Drilling Units on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Units. Such Carried Well Operator's rights, interests, and claims in and to the Gas in Subject Drilling Units shall be deemed and are hereby assigned to the Unit Operator until the proceeds from the sale of such Carried Well Operator's share of production from Subject Drilling Units (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Costs allocable to the interest of such Carried Well Operator. When the Unit Operator recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay the proportionate part of all future costs of such well development.

Subject to a final legal determination of ownership, the election made under Paragraph 9.3, when so made, shall be satisfaction in full for the rights, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to have and does hereby assign its rights, interests, and claims in and to the Gas produced from Subject Formations in the Subject Drilling Units to the Unit Operator for the period of time during which its interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event an owner named in Exhibit "D" hereto does not reach a voluntary agreement with the Applicant or Operator and fails to elect within the time, in the manner and in accordance with the terms of this Order, one of the alternatives set forth in Paragraph 9 above for which the owner's or claimant's interest qualifies, then such owner or claimant shall be deemed to have elected not to participate in the proposed development and operation of the Subject Drilling Units and shall be deemed, subject to a final legal determination of ownership, to have elected to accept as satisfaction in full for such owner's or claimant's rights, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which the owner's or claimant's interest qualifies and shall be deemed to have leased and/or assigned the rights, interests, and claims in and to the Gas produced from Subject Formations in Subject Drilling Units to the Unit Operator. Owners or claimants who fail to properly elect shall be deemed, subject to a final legal determination

of ownership, to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the rights, interests, and claims of such owner or claimant in and to the Gas produced from the Subject Formations underlying the Subject Lands.

11. Default by Participating Operator: In the event an owner or claimant named in Exhibit "D" elects to participate, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such owner or claimant's proportionate part of the Allocable, Completed-for-Production Costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such owner or claimant shall be deemed to have withdrawn the election to participate and shall be deemed to have elected to accept in satisfaction in full for such owner or claimant's rights, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which the interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid, or escrowed by Unit Operator within sixty (60) days after the last day on which such defaulting owner or claimant under this Order should have paid the proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the rights, interests, and claims of such owner or claimant in and to the Gas underlying Subject Drilling Units in the Subject Lands covered hereby, except, however, for any royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event an owner or claimant named in Exhibit "D" is unable to reach a voluntary agreement to share in the operation of the wells contemplated by this Order at a rate of payment agreed to mutually by said owner or claimant and the Applicant or Unit Operator, and such owner or claimant elects or fails to elect to do other than participate under Paragraph 9.1 above in the development and operation of the wells in Subject Formations in Subject Drilling Units, then subject to a final legal determination of ownership, such person shall be deemed to have and shall have assigned unto Unit Operator such person's rights, interests, and claims in and to said wells, in Subject Formations in Subject Drilling Units, and other share in production to which such person may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said election.

13. Unit Operator: Pocahontas Gas Partnership be and hereby is designated as Unit Operator authorized to drill and operate the wells in the Subject Formations in Subject Drilling Units, all subject to the permit provisions contained in Va. Code Ann. §§ 45.1-361.27 *et seq.* (Michie 1994 & Supp. 1995); V.R. 480-05-22.1 (1991); V.R. 480-05-22.2 (1991); the Oakwood Field I Order; and the Oakwood II Field Order, all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

Pocahontas Gas Partnership  
P.O. Box 947  
Bluefield, VA 24605  
Phone: (540) 326-6354  
Fax: (540) 326-6389  
Attn.: Leslie K. Arrington

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of any one of the well(s) within the Subject Drilling Units and/or the well(s) outside the Subject Drilling Units but from which production is allocated to the Subject Drilling Units within three hundred and sixty-five (365) days from the date of this Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums then payable hereunder; otherwise, unless sooner terminated by Order of the Board, this Order shall expire at 12:00 P.M. on

the date on which all wells covered by this Order and/or all wells from which production is allocated to the Subject Drilling Units are permanently abandoned and plugged. However, in the event an appeal is taken from this Order, then the time between the filing of the petition for appeal and the final order of the circuit court shall be excluded in calculating the one-year period referred herein.

Upon completion of any well whose costs comprise part of the Estimated Allocable, Completed-for-Production Costs set forth in Paragraph 9.1 above, and within ninety (90) days after production into the pipeline is obtained and restoration of the location is completed, the Unit Operator shall file with the Board a revised exhibit reflecting the actual, Completed-for-Production Costs for the Subject Drilling Units.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right to set off on the Gas estates, rights, and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Units to the extent that costs incurred in the drilling or operation on the Subject Drilling Units are chargeable against such person's interests. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating any well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

By this Order, the Board instructs the Escrow Agent named herein, or any successor named by the Board to establish an interest-bearing escrow account (herein the "Escrow Account"), to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described:

Tazewell National Bank  
Trust Department  
c/o Premier Bankshares Corporation  
29 College Drive, P.O. Box 1199  
Bluefield, VA 24605-1199  
Phone: (540) 322-2242  
Fax: (540) 322-2766

16.1 Escrow Provisions for Unknown or Unlocatable Persons: If any payment of bonus, royalty payment, or other payment due and owing under this order cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment, or other payment shall not be commingled with any funds of the Unit Operator and said sums shall, pursuant to Va. Code Ann. § 45.1-361.21(D) (Michie Supp. 1995), be deposited by the Unit Operator into the Escrow Account, commencing within sixty (60) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are being deposited. Such funds shall be held for the exclusive use of, and the sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with Va. Code Ann. § 45.1-361.21(D) (Michie Supp. 1995).

16.2 Escrow Provisions for Conflicting Claimants: If any payment of bonus, royalty payment, or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of

ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment, or other payment, together with Participating Operator's proportionate costs paid to Unit Operator pursuant to Paragraph 9.1 hereof, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Va. Code Ann. § 45.1-361.22(A)(2), (A)(3), and (A)(4) (Michie Supp. 1995), be deposited by the Unit Operator into the Escrow Account within sixty (60) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and the sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board.

17. Special Findings: The Board specifically and specially finds that:

- 17.1 Applicant is a Virginia general partnership composed of Consolidation Coal Company, a Delaware corporation, and Conoco, Inc., a Delaware corporation, and is duly authorized and qualified to transact business in the Commonwealth of Virginia.
- 17.2 Applicant is an operator in the Commonwealth of Virginia and has satisfied the Board's requirement for operations in Virginia.
- 17.3 Applicant claims ownership of gas leases, coalbed methane gas leases, and/or coal leases representing 67.975 percent of the oil and gas interest; 100 percent of the Pocahontas No. 3 seam of coal; and 100 percent of the Coalbed Methane Gas in Subject Drilling Units in Buchanan County, Virginia, which Subject Lands are more particularly described in Exhibit A and Applicant claims ownership of the right to explore for, develop, and produce the Coalbed Methane Gas underlying 100 percent of the Subject Drilling Units. The coal, oil, and gas tracts in which the operator has no interest are listed in Exhibit D.
- 17.4 Applicant has drilled one (1) well (CBM-PGP-124D) to develop the Gas in both Subject Drilling Units W-29 and W-29/B. In support of its Oakwood II Application, Applicant submitted to the Board as Exhibit G, its proposed mine plan depicting the location of the long wall panels underlying Subject Drilling Unit W-29/B in which Well CBM-PGP-124D will be located, as well as Applicant's testimony that based on current projections, the long wall panels underlying Subject Drilling Unit W-29/B will be mined in approximately two (2) years.
- 17.5 Permit No. 2253 was issued on December 3, 1992, for Well CBM-PGP-124D.
- 17.6 Applicant requested and was granted a location exception under the Oakwood I Order for Well PGP-CBM-124D.
- 17.7 The estimated amount of reserves contained within Subject Drilling Units are 300 to 575 mmcf. The estimated average production from the Subject Drilling Units over their lives are 450 mmcf.
- 17.8 Respondents are listed on Exhibit "C." Set forth in Exhibit "D" are the names and last known addresses of the persons identified by the Applicant as having or claiming a potential interest in the Coalbed Methane Gas in Subject Formations in the Subject

Drilling Units underlying and comprised of the Subject Lands, who have not, in writing, leased to the Applicant or the Unit Operator or agreed to voluntarily pool their interests in the Subject Drilling Units for their development. The interests of the Respondents listed in Exhibit "D" comprise 32.025 percent of the oil and gas interests and 0 percent of the coal interests in the Subject Drilling Units.

- 17.9 Applicant's evidence established that the fair, reasonable, and equitable compensation to be paid to any person in lieu of the right to participate in any well covered hereby are those options provided in Paragraph 9 above.
- 17.10 The Board previously granted the relief sought in an application filed under Docket No. VGOB-95-0418-0498 (hereinafter the "80-acre Unit Application"). The Board granted the conversion of panel units SLW8, SLW9, SLW10, SLW11 and SLW12 (previously established as panel units under Docket No. VGOB 92-0121-0180) (hereinafter the "Order") and modified by Docket No. VGOB 93-0622-0385 (hereinafter the "Panel Order") to the following drilling units: W-29; X-29; Y-29; Z-29; AA-29; W-30; X-30; Y-30; Z-30; AA-30; W-31; X-31; Y-31; Z-31; and AA-31 (hereinafter collectively referred to as the "80-acre Units"). The 80-acre Units were established pursuant to the 80-acre Unit Application and approved subject to the provisions of the Oakwood Field I Order and the Oakwood Field II Order. The Oakwood Fields I and II Orders are hereinafter collectively referred to as the "Oakwood Orders". The 80-acre Application was approved on April 18, 1995, effective as of June 1, 1995.
- 17.11 The Subject Drilling Units were previously a portion of the SLW8, SLW9 and SLW10 panel units as established by the Order and the Panel Order. The interests in the Panel Units were pooled and orders were entered under VGOB Docket No.: (1) SLW8 - 92-0421--0216 (amended order), entered August 14, 1992, recorded August 19, 1992 in Deed Book 396, Page 764, as modified by VGOB 93-0817-0392 entered October 25, 1993, recorded October 29 1993, in Deed Book 415, Page 195 in the Office of the Circuit Clerk of Buchanan County, Virginia; (2) SLW9 - 92-0421-0217 (amended order), entered August 14, 1992, recorded August 19, 1992, in the aforesaid Clerk's Office in Deed Book 396, Page 776; and (3) SLW10 - 92-0421-0218, entered July 27, 1992, recorded July 30, 1992, in the aforesaid Clerk's Office in Deed Book 396, Page 63, respectively (hereinafter collectively referred to as the "Pooling Orders"). The Pooling Orders were released and vacated pursuant to the 80-acre Application contingent upon pooling orders being entered for Subject Drilling Units and others.
- 17.12 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person listed and named in Exhibit "C" hereto the opportunity to recover or receive, without unnecessary expense, such person's just and fair share of the production from the Subject Drilling Units. The granting of the Application and the relief requested therein will ensure to the extent possible the greatest ultimate recovery of Coalbed Methane Gas, prevent or assist in preventing the various types of waste prohibited by statute and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.

18. Mailing of Order and Filing of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of its receipt to each Respondent named in Exhibit "C" pooled by this Order and whose address is known.

19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Units which are submitted by the Unit Operator to said Director and/or his Inspector(s).

20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

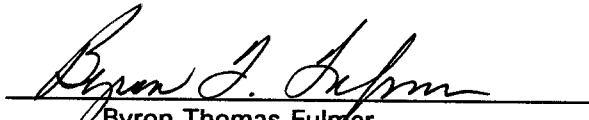
21. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 (Michie 1994) which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. §§ 9-6.14:1 *et seq.* (Michie 1993 & Supp. 1995).

22. Effective Date: This Order shall be effective as of June 1, 1995, in accordance with the terms and provisions of Order VGOB-95/04/18-0498.

DONE AND EXECUTED this 11<sup>th</sup> day of December, 1995, by a majority of the Virginia Gas and Oil Board.


  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 11<sup>th</sup> day of December, 1995, by Order of the Board.

  
Byron Thomas Fulmer  
Principal Executive to the Staff  
Virginia Gas and Oil Board

Commonwealth of Virginia     )  
County of Wise                     )

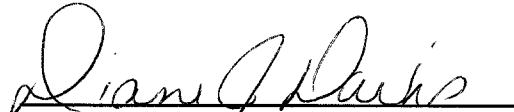
Acknowledged on this 11<sup>th</sup> day of December, 1995, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Susan G. Garrett  
Notary Public

My Commission Expires: 07/31/98

Commonwealth of Virginia )  
County of Washington )

Acknowledged on this 11<sup>th</sup> day of December 1995, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is the Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Diane J. Davis  
Notary Public

My Commission Expires: 09/30/97

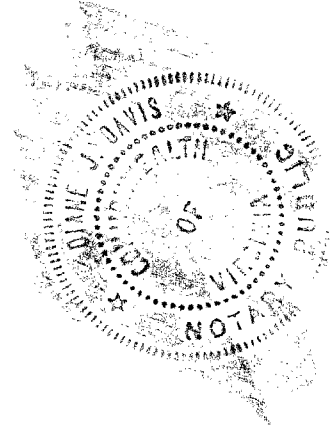
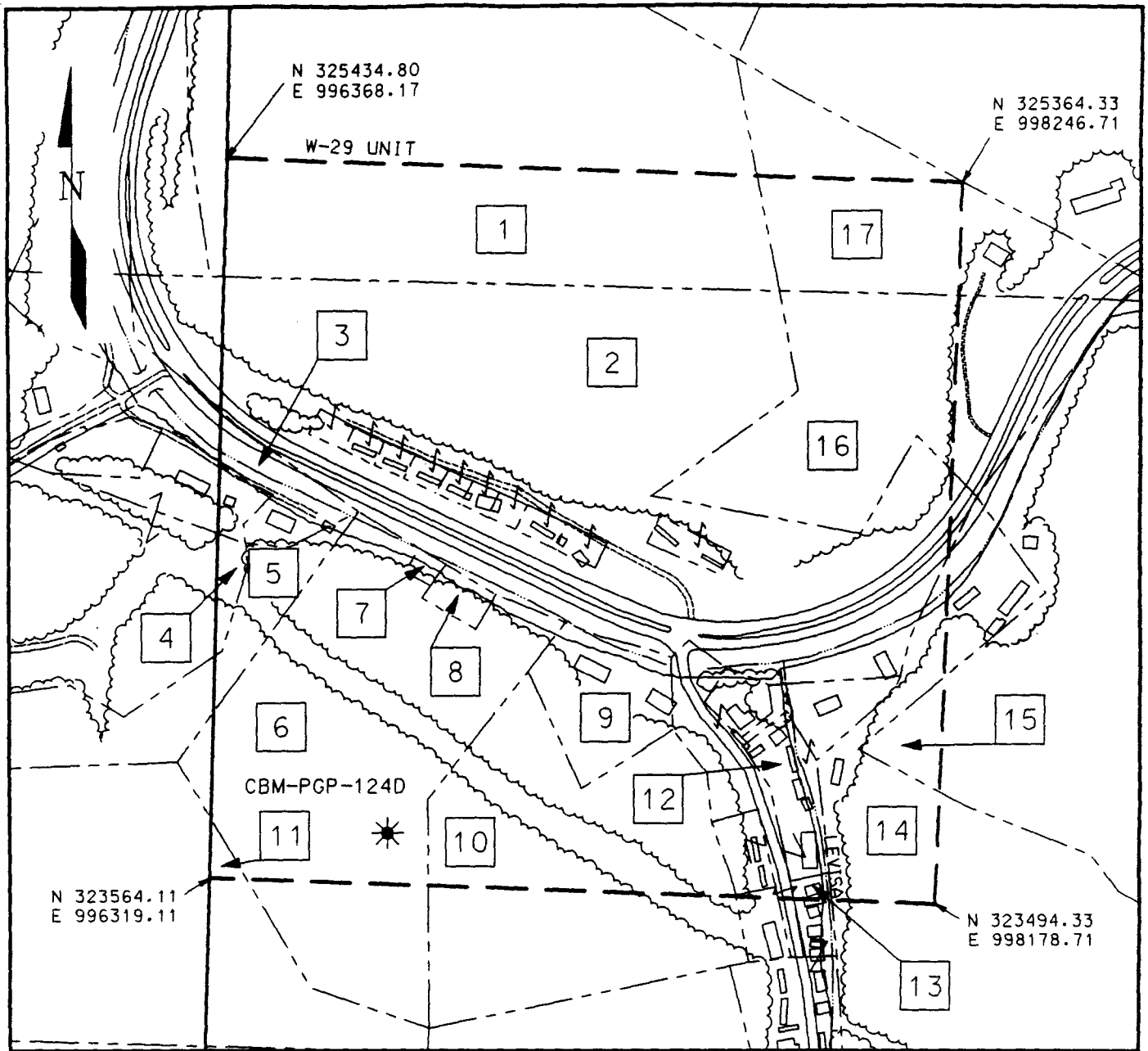


EXHIBIT A

SUBJECT LANDS

UNIT W-29, VGOB #95-0418-0499, #95-0418-0499-01

Beginning at a point Virginia (South Rectangular) State Plane Coordinate N 325,434.80 E 996,368.17 thence in an eastwardly direction to a point, N 325,364.33 E 998,246.71, thence in a southerly direction to a point N 323,494.33 E 998,178.71, thence in a westwardly direction to a point, N 323,564.11 E 996,319.11, thence in a northerly direction to the point of beginning, containing eighty and three hundredths (80.03) acres, more or less.



**LEGEND**

- ↗ TRACT LAND HOOK
- ✱ EXISTING CBM WELL
- ✱ PROPOSED CBM WELL
- [2] TRACT LAND ID'S

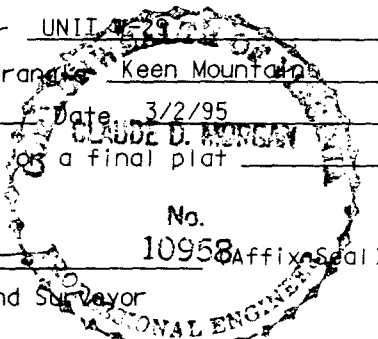
EXHIBIT B1  
OAKWOOD FIELD UNIT W-29  
FORCE POOLING  
VGOB-95/04/18-0499-01  
95/04/18-0499

Company Pocahontas Gas Partnership Well Name and Number UNIT W-29  
Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Keen Mountain  
County Buchanan District Garden Scale: 1" = 400' Date: 3/2/95  
This plat is a new plat X ; an updated plat \_\_\_\_\_ ; a final plat \_\_\_\_\_

Form DGO-GD-7  
Rev. 9/91

Licensed Professional Engineer or Licensed Land Surveyor

No. 10958 Affix Seal



**Pocahontas Gas Partnership  
Oakwood Field Unit W-29  
Docket No. VGOB-95/04/18-0499-01, 95/04/18-0499  
Acres: 80.03**

1. Coal Mountain Mining Company - TR 24 - Coal  
Coal Lessees  
Island Creek Coal Company  
Consolidation Coal Company  
United Coal Company  
Pocahontas Gas Partnership - CBM Lessee  
Garden Realty Corporation - Oil & Gas  
Consolidation Coal Company - Oil & Gas Lessee  
9.7 acres - 12.1205%
2. Coal Mountain Mining Company - TR 24 - Coal  
Coal Lessees  
Consolidation Coal Company  
United Coal Company  
Pocahontas Gas Partnership - CBM Lessee  
Garden Realty Corporation - Oil & Gas  
Consolidation Coal Company - Oil & Gas Lessee  
27.88 acres - 34.8369%
3. Yukon Pocahontas Coal Company - TR BV 50-3 - Coal, Oil & Gas  
Coal Lessees  
Jewell Smokeless Coal Corporation  
Island Creek Coal Company  
Consolidation Coal Company  
Pocahontas Gas Partnership - CBM Lessee  
No Oil & Gas Lessee of Record  
1.19 acres - 1.4869%
4. Hugh MacRae Land Trust - TR 17 - Coal  
Coal Lessees  
United Coal Company  
Consolidation Coal Company  
Pocahontas Gas Partnership - CBM Lessee  
W.J. Sisk Heirs - Oil & Gas  
Pocahontas Gas Partnership - Oil & Gas Lessee  
0.70 acres - 0.8747%
5. Hugh MacRae Land Trust - TR 17 - Coal  
Coal Lessees  
Permac, Inc.  
Consolidation Coal Company  
Pocahontas Gas Partnership - CBM Lessee  
Garden Realty Corporation - Oil & Gas  
Consolidation Coal Company - Oil & Gas Lessee  
1.26 acres - 1.5744%

**Pocahontas Gas Partnership  
Oakwood Field Unit W-29  
Docket No. VGOB-95/04/18-0499-01. 95/04/18-0499  
Acres: 80.03**

6. Hugh MacRae Land Trust - TR 17 - Coal  
Coal Lessees  
Permac, Inc.  
Consolidation Coal Company  
Pocahontas Gas Partnership - CBM Lessee  
E. Keen Heirs - Oil & Gas  
Pocahontas Gas Partnership - Oil & Gas Lessee  
11.51 acres - 14.3822%
7. Hugh MacRae Land Trust - TR 17 - Coal  
Coal Lessees  
Permac, Inc.  
Consolidation Coal Company  
Pocahontas Gas Partnership - CBM Lessee  
Vinnie & Tracey Keen - Oil & Gas  
0.12 acres - 0.1499%
8. Hugh MacRae Land Trust - TR 17 - Coal  
Coal Lessees  
Permac, Inc.  
Consolidation Coal Company  
Pocahontas Gas Partnership - CBM Lessee  
Orpha Deskens - Oil & Gas  
0.38 acres - 0.4748%
9. Hugh MacRae Land Trust - TR 17 - Coal  
Coal Lessees  
Permac, Inc.  
Consolidation Coal Company  
Pocahontas Gas Partnership - CBM Lessee  
Consolidation Coal Company - Oil & Gas  
2.33 acres - 2.9114%
10. Hugh MacRae Land Trust - TR 17 - Coal  
Coal Lessees  
Permac, Inc.  
Consolidation Coal Company  
Pocahontas Gas Partnership - CBM Lessee  
Glenn Rose - Oil & Gas  
6.42 acres - 8.022%

**Pocahontas Gas Partnership**  
**Oakwood Field Unit W-29**  
**Docket No. VGOB-95/04/18-0499-01, 95/04/18-0499**  
**Acres: 80.03**

11. **Hugh MacRae Land Trust - TR 2 - Coal**  
**Coal Lessees**  
**Permac, Inc.**  
**Consolidation Coal Company**  
**Pocahontas Gas Partnership - CBM Lessee**  
**E. Keen Heirs - Oil & Gas**  
**Pocahontas Gas Partnership - Oil & Gas Lessee**  
**0.14 acres - 0.1749%**
  
12. **Yukon Pocahontas Coal - TR BV 50-2 - Coal, Oil & Gas**  
**Coal Lessees**  
**Jewell Smokeless Coal Company**  
**Island Creek Coal Company**  
**Consolidation Coal Company**  
**Pocahontas Gas Partnership - CBM Lessee**  
**No Oil & Gas Lessee of Record**  
**4.56 acres - 5.6979%**
  
13. **Hugh MacRae Land Trust - TR 17 - Coal**  
**Coal Lessees**  
**Permac, Inc.**  
**Consolidation Coal Company**  
**Pocahontas Gas Partnership - CBM Lessee**  
**Ruth Steele - Oil & Gas**  
**Pocahontas Gas Partnership - CBM Lessee**  
**0.17 acres - 0.2124%**
  
14. **Coal Mountain Mining Company - TR 19 - Coal, Oil & Gas**  
**Coal Lessees**  
**United Coal Company**  
**Consolidation Coal Company**  
**Pocahontas Gas Partnership - CBM Lessee**  
**Consolidation Coal Company - Oil & Gas Lessee**  
**3.21 acres - 4.011%**
  
15. **Coal Mountain Mining Company - TR 17 - Coal**  
**Coal Lessees**  
**United Coal Company**  
**Consolidation Coal Company**  
**Pocahontas Gas Partnership - CBM Lessee**  
**Yukon Pocahontas Coal Company - Oil & Gas**  
**No Oil & Gas Lessee of Record**  
**0.73 acres - 0.9122%**

**Pocahontas Gas Partnership  
Oakwood Field Unit W-29  
Docket No. VGOB-95/04/18-0499-01, 95/04/18-0499  
Acres: 80.03**

16. Yukon Pocahontas Coal Company - TR 113 - Coal, Oil & Gas  
Coal Lessees  
Jewell Smokeless Coal Company  
Island Creek Coal Company  
Consolidation Coal Company  
Pocahontas Gas Partnership - CBM Lessees  
No Oil & Gas Lessee of Record  
6.40 acres - 7.997%
17. Yukon Pocahontas Coal Company - TR 113 - Coal, Oil & Gas  
Coal Lessees  
Jewell Smokeless Coal Company  
Island Creek Coal Company  
Pocahontas Gas Partnership - CBM Lessee  
No Oil & Gas Lessee of Record  
3.33 acres - 4.1609%

**Exhibit C**  
**Oakwood Field Unit W-29**  
**VGOB-95/04/18-0499, 95/04/18-0499-01**

I. COAL FEE OWNERSHIP	Acres in Unit	Percent of Unit	Division of	Division of
			Interest in 4 EAST = 6.738%	Interest in 5 EAST = 6.468%
(1) Coal Mountain Mining Company	37.58 acres (TR 24)	46.9574 %	3.1640 %	3.0372 %
Coal Mountain Mining	3.21 acres (TR 19)	4.0110 %	0.2703 %	0.2594 %
P.O. Box 675	0.73 acres (TR 17)	0.9122 %	0.0615 %	0.0590 %
Tazewell, VA 24651				
(2) Yukon Pocahontas Coal Company	1.19 acres (TR BV 50-3)	1.4869 %	0.1002 %	0.0962 %
P.O. Box 187	4.56 acres (TR BV 50-2)	5.6979 %	0.3839 %	0.3685 %
Tazewell, VA 24651	9.73 acres (TR 113)	12.1579 %	0.8192 %	0.7864 %
Georgia-Pacific Corporation				
Minerals & Real Estate				
P.O. Box 105605				
Atlanta, GA 30348-5605				
(3) Hugh MacRae Land Trust	22.89 acres (TR 17)	26.6018 %	1.7924 %	1.7206 %
P.O. Box 29	0.14 acres (TR 2)	0.1749 %	0.0118 %	0.0113 %
Tazewell, VA 24651				
<b>II. COAL LEASEHOLD OWNERSHIP</b>				
(1) Island Creek Coal Company	9.7 acres	12.1205 %	0.8167 %	0.7840 %
Virginia Division	1.19 acres	1.4869 %	0.1002 %	0.0962 %
Drawer L	4.56 acres	5.6979 %	0.3839 %	0.3685 %
Oakwood, VA 24631	6.4 acres	7.9970 %	0.5388 %	0.5172 %
	3.33 acres	4.1609 %	0.2804 %	0.2691 %
(2) Consolidation Coal Company	9.7 acres	12.1205 %	0.8167 %	0.7840 %
1800 Washington Road	27.88 acres	34.8369 %	2.3473 %	2.2533 %
Pittsburgh, PA 15241	1.19 acres	1.4869 %	0.1002 %	0.0962 %
	0.7 acres	0.8747 %	0.0589 %	0.0566 %
	1.26 acres	1.5744 %	0.1061 %	0.1018 %
	11.51 acres	14.3822 %	0.9691 %	0.9302 %
	0.12 acres	0.1499 %	0.0101 %	0.0097 %
	0.38 acres	0.4748 %	0.0320 %	0.0307 %
	2.33 acres	2.9114 %	0.1962 %	0.1883 %
	6.42 acres	8.0220 %	0.5405 %	0.5189 %
	0.14 acres	0.1749 %	0.0118 %	0.0113 %
	4.56 acres	5.6979 %	0.3839 %	0.3685 %
	0.17 acres	0.2124 %	0.0143 %	0.0137 %
	3.21 acres	4.1100 %	0.2769 %	0.2658 %
	0.73 acres	0.9122 %	0.0615 %	0.0590 %
	6.4 acres	7.9970 %	0.5388 %	0.5172 %
	3.33 acres	4.1609 %	0.2804 %	0.2691 %
(3) United Coal Company	9.7 acres	12.1205 %	0.8167 %	0.7840 %
P.O. Box 901	27.88 acres	34.8369 %	2.3473 %	2.2533 %
Grundy, VA 24614	0.7 acres	0.8747 %	0.0589 %	0.0566 %
	3.21 acres	4.1100 %	0.2769 %	0.2658 %
	0.73 acres	0.9122 %	0.0615 %	0.0590 %
(4) Jewell Smokeless Coal Corporation	1.19 acres	1.4869 %	0.1002 %	0.0962 %
P.O. Box 70	4.56 acres	5.6979 %	0.3839 %	0.3685 %
Vansant, VA 24656	6.4 acres	7.9970 %	0.5388 %	0.5172 %
	3.33 acres	4.1609 %	0.2804 %	0.2691 %

Exhibit C  
Oakwood Field Unit W-29

VGOB-95/04/18-0499 , 95/04/18-0499-01

	Acres in Unit	Percent of Unit	Division of Interest in	Division of Interest in
			4 EAST = 6.738%	5 EAST = 6.468%
(5) Permac, Inc.	1.26 acres	1.5744 %	0.1061 %	0.1018 %
P.O. Box 1349	11.51 acres	14.3822 %	0.9691 %	0.9302 %
Bluefield, VA 24605	0.12 acres	0.1499 %	0.0101 %	0.0097 %
	0.38 acres	0.4748 %	0.0320 %	0.0307 %
	2.33 acres	2.9114 %	0.1962 %	0.1883 %
	6.42 acres	8.0220 %	0.5405 %	0.5189 %
	0.14 acres	0.1749 %	0.0118 %	0.0113 %
	0.17 acres	0.2124 %	0.0143 %	0.0137 %

**III. OIL & GAS FEE OWNERSHIP****37.58 acre tract**

(1) Garden Realty Corporation c/o Mrs. Betty Boyd King 2370 Lyndhurst Avenue Winston-Salem, NC 27103	37.58 acres	46.9574 %	3.1640 %	3.0372 %
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**3.21 acre tract**

(2) Coal Mountain Mining Company Coal Mountain Mining P.O. Box 675 Tazewell, VA 24651	3.21 acres	4.0110 %	0.2703 %	0.2594 %
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**0.73 acre tract**

** (3) Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.73 acres	0.9122 %	0.0615 %	0.0590 %
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**1.19 acre tract**

** (4) Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	1.19 acres	1.4869 %	0.1002 %	0.0962 %
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**4.56 acre tract**

** (5) Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	4.56 acres	5.6979 %	0.3839 %	0.3685 %
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**9.73 acre tract**

** (6) Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	6.4 acres 3.33 acres	7.9970 % 4.1609 %	0.5388 % 0.2804 %	0.5172 % 0.2691 %
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**22.89 acre tract**

(7) W.J. Sisk Heirs	0.7 acres	0.8747 %	0.0589 %	0.0566 %
(a) Dale Hodge Chambers Rt. 1 Box 82 Raven, VA 24639	0.233 acres (7/21 of 0.7 acres)	0.2916 %	0.0196 %	0.0189 %

**\*\*NOTE: Oil and gas owner - CBM leased only.**

**Exhibit C**  
**Oakwood Field Unit W-29**  
**VGOB-95/04/18-0499, 95/04/18-0499-01**

	<b>Acres in Unit</b>	<b>Percent of Unit</b>	<b>Division of Interest in 4 EAST = 6.738%</b>	<b>Division of Interest in 5 EAST = 6.468%</b>
(b) Larry Douglas Chambers Rt. 1 Box 81 Raven, VA 24639	0.366 acres (11/21 of 0.7 acres)	0.4582 %	0.0309 %	0.0296 %
(c) Jimmy Donald Sisk 3153 Creekside Drive Norton, OH 44203	0.025 acres (1/28 of 0.7 acres)	0.0312 %	0.0021 %	0.0020 %
(d) Walter Jackson Sisk 229 Asque Street Kingsport, TN 37665	0.025 acres (1/28 of 0.7 acres)	0.0312 %	0.0021 %	0.0020 %
(e) Nancy Sisk c/o Walter Jackson Sisk 229 Asque Street Kingsport, TN 37665	0.025 acres (1/28 of 0.7 acres)	0.0312 %	0.0021 %	0.0020 %
(f) Maudie Ellen Sanders 600 North 583 East Kokomo, IN 46901	0.025 acres (1/28 of 0.7 acres)	0.0312 %	0.0021 %	0.0020 %
(8) Garden Realty Corporation c/o Mrs. Betty Boyd King 2370 Lyndhurst Avenue Winston-Salem, NC 27103	1.26 acres	1.5744 %	0.1061 %	0.1018 %
(9) E. Keen Heirs	11.51 acres	14.3822 %	0.9691 %	0.9302 %
(a) Paul Keen Rt. 1 Box 52 Raven, VA 24639	1.918 acres (1/6 of 11.51 acres)	2.3970 %	0.1615 %	0.1550 %
(b) Ralph Keen Rt. 1 Box 52 Raven, VA 24639	1.918 acres (1/6 of 11.51 acres)	2.3970 %	0.1615 %	0.1550 %
(c) Arnold Keen Rural Rt. 2 Box 91 Cedar Bluff, VA 24609	1.918 acres (1/6 of 11.51 acres)	2.3970 %	0.1615 %	0.1550 %
(d) Ruby Hale Box 731 Cedar Bluff, VA 24609	1.918 acres (1/6 of 11.51 acres)	2.3970 %	0.1615 %	0.1550 %
(e) Anna R. Lambert Rt. 1 Box 52 Raven, VA 24639	1.918 acres (1/6 of 11.51 acres)	2.3970 %	0.1615 %	0.1550 %
(f) Ann McGowan Rt. 1 Box 52 Raven, VA 24639	1.918 acres (1/6 of 11.51 acres)	2.3970 %	0.1615 %	0.1550 %
(10) Vinnie & Tracey Keen Rt. 2 Box 54 Grundy, VA 24614	0.12 acres	0.1499 %	0.0101 %	0.0097 %
(11) Orpha Deskins c/o Beecher Deskins Box 23 Shortt Gap, VA 24647	0.38 acres	0.4748 %	0.0320 %	0.0307 %

**Exhibit C**  
**Oakwood Field Unit W-29**  
**VGOB-95/04/18-0499 , 95/04/18-0944-01**

		Acres in Unit	Percent of Unit	Division of Interest in 4 EAST = 6.738%	Division of Interest in 5 EAST = 6.468%
(12)	Dailey Wade Rt. 1 Box 68 Raven, VA 24639	2.33 acres	2.9114 %	0.1962 %	0.1883 %
(13)	Glenn Rose 114 First Avenue Richlands, VA 24641	6.42 acres	8.0220 %	0.5405 %	0.5189 %
** (14)	Ruth Steele Rt. 1 Box 66 Raven, VA 24639	0.17 acres	0.2124 %	0.0143 %	0.0137 %
<b><u>0.14 acre tract</u></b>					
(15)	E. Keen Heirs	0.14 acres	0.1749 %	0.0118 %	0.0113 %
(a)	Paul Keen Rt. 1 Box 52 Raven, VA 24639	0.023 acres (1/6 of 0.14 acres)	0.0292 %	0.0020 %	0.0019 %
(b)	Ralph Keen Rt. 1 Box 52 Raven, VA 24639	0.023 acres (1/6 of 0.14 acres)	0.0292 %	0.0020 %	0.0019 %
(c)	Arnold Keen Rural Rt. 2 Box 91 Cedar Bluff, VA 24609	0.023 acres (1/6 of 0.14 acres)	0.0292 %	0.0020 %	0.0019 %
(d)	Ruby Hale Box 731 Cedar Bluff, VA 24609	0.023 acres (1/6 of 0.14 acres)	0.0292 %	0.0020 %	0.0019 %
(e)	Anna R. Lambert Rt. 1 Box 52 Raven, VA 24639	0.023 acres (1/6 of 0.14 acres)	0.0292 %	0.0020 %	0.0019 %
(f)	Ann McGowan Rt. 1 Box 52 Raven, VA 24639	0.023 acres (1/6 of 0.14 acres)	0.0292 %	0.0020 %	0.0019 %
<b><u>IV. OIL &amp; GAS LEASEHOLD OWNERSHIP</u></b>					
(1)	Consolidation Coal Company 1800 Washington Road Pittsburgh, PA 15241	37.58 acres 1.26 acres 3.21 acres	46.9574 % 1.5744 % 4.1100 %	3.1640 % 0.1061 % 0.2769 %	3.0372 % 0.1018 % 0.2658 %
(2)	Pocahontas Gas Partnership P.O. Box 200 Mavisdale, VA 24627	0.7 acres 11.51 acres 0.14 acres	0.8747 % 14.3822 % 0.1749 %	0.0589 % 0.9691 % 0.0118 %	0.0566 % 0.9302 % 0.0113 %

**\*\*NOTE: Oil and gas owner - CBM leased only.**

V. <u>CBM LEASEHOLD OWNERSHIP</u>	Acres in Unit	Percent of Unit	Division of Interest in	Division of Interest in
			4 EAST = 6.738%	5 EAST = 6.468%
(1) Pocahontas Gas Partnership	37.58 acres	46.9574 %	3.1640 %	3.0372 %
P.O. Box 200	1.19 acres*	1.4869 %	0.1002 %	0.0962 %
Mavisdale, VA 24627	0.7 acres	0.8747 %	0.0589 %	0.0566 %
	1.26 acres	1.5744 %	0.1061 %	0.1018 %
	11.51 acres	14.3822 %	0.9691 %	0.9302 %
	0.12 acres	0.1499 %	0.0101 %	0.0097 %
	0.38 acres	0.4748 %	0.0320 %	0.0307 %
	2.33 acres	2.9114 %	0.1962 %	0.1883 %
	6.42 acres	8.0220 %	0.5405 %	0.5189 %
	0.14 acres	0.1749 %	0.0118 %	0.0113 %
	4.56 acres*	5.6979 %	0.3839 %	0.3685 %
	0.17 acres	0.2124 %	0.0143 %	0.0137 %
	3.21 acres	4.1100 %	0.2769 %	0.2658 %
	0.73 acres*	0.9122 %	0.0615 %	0.0590 %
	6.4 acres*	7.9970 %	0.5388 %	0.5172 %
	3.33 acres*	4.1609 %	0.2804 %	0.2691 %

\*NOTE: CBM leased only by Buchanan Production Co. assigned to Pocahontas Gas Partnership.

Exhibit D  
Oakwood Field Unit W-29  
VGOB-95/04/18-0499 , 95/04/18-0499-01  
Unleased Owners

I. <u>OIL &amp; GAS FEE OWNERSHIP</u>	<u>Acres in Unit</u>	<u>Percent of Unit</u>	<u>Division of Interest in</u>	<u>Division of Interest in</u>
			<u>4 EAST = 6.738%</u>	<u>5 EAST = 6.468%</u>
<u>22.92 acre tract</u>				
(1) Vinnie & Tracey Keen Rt. 2 Box 54 Grundy, VA 24614	0.12 acres	0.1499 %	0.0101 %	0.0097 %
(2) Orpha Deskins c/o Beecher Deskins Box 23 Shortt Gap, VA 24647	0.38 acres	0.4748 %	0.0320 %	0.0307 %
(3) Dailey Wade Rt. 1 Box 68 Raven, VA 24639	2.33 acres	2.9114 %	0.1962 %	0.1883 %
(4) Glenn Rose 114 First Avenue Richlands, VA 24641	6.42 acres	8.0220 %	0.5405 %	0.5189 %

**Exhibit E**  
**Oakwood Field Unit W-29**  
**VGOB-95/04/18-0499 , 95/04/18-0499-01**  
**Conflicting Ownership**

**37.58 acre tract****COAL FEE OWNERSHIP**

	Acres in Unit	Percent of Unit	Division of Interest in 4 EAST = 6.738%	Division of Interest in 5 EAST = 6.468%
(1) Coal Mountain Mining Company Coal Mountain Mining P.O. Box 675 Tazewell, VA 24651	37.58 acres (TR 24)	46.9574 %	3.1640	3.0372

**OIL & GAS FEE OWNERSHIP**

(1) Garden Realty Corporation c/o Mrs. Betty Boyd King 2370 Lyndhurst Avenue Winston-Salem, NC 27103	37.58 acres	46.9574 %	3.1640	3.0372
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**0.73 acre tract****COAL FEE OWNERSHIP**

(1) Coal Mountain Mining Company Coal Mountain Mining P.O. Box 675 Tazewell, VA 24651	0.73 acres (TR 17)	0.9122 %	0.0615	0.0590
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**OIL & GAS FEE OWNERSHIP**

(1) Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.73 acres	0.9122 %	0.0615	0.0590
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**22.89 acre tract****COAL FEE OWNERSHIP**

(1) Hugh MacRae Land Trust P.O. Box 29 Tazewell, VA 24651	22.89 acres (TR 17)	26.6018 %	1.7924	1.7206
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**OIL & GAS FEE OWNERSHIP**

(1) W.J. Sisk Heirs	0.7 acres	0.8747 %	0.0589	0.0566
(a) Dale Hodge Chambers Rt. 1 Box 82 Raven, VA 24639	0.233 acres (7/21 of 0.7 acres)	0.2916 %	0.0196	0.0189
(b) Larry Douglas Chambers Rt. 1 Box 81 Raven, VA 24639	0.366 acres (11/21 of 0.7 acres)	0.4582 %	0.0309	0.0296
(c) Jimmy Donald Sisk 3153 Creekside Drive Norton, OH 44203	0.025 acres (1/28 of 0.7 acres)	0.0312 %	0.0021	0.0020
(d) Walter Jackson Sisk 229 Asque Street Kingsport, TN 37665	0.025 acres (1/28 of 0.7 acres)	0.0312 %	0.0021	0.0020

**Exhibit E**  
**Oakwood Field Unit W-29**  
**VGOB-95/04/18-0499, 95/04/18-0499-01**  
**Conflicting Ownership**

	<u>Acres in Unit</u>	<u>Percent of Unit</u>	<u>Division of Interest in 4 EAST = 6.738%</u>	<u>Division of Interest in 5 EAST = 6.468%</u>
(e) Nancy Sisk c/o Walter Jackson Sisk 229 Asque Street Kingsport, TN 37665	0.025 acres (1/28 of 0.7 acres)	0.0312 %	0.0021	0.0020
(f) Maudie Ellen Sanders 600 North 583 East Kokomo, IN 46901	0.025 acres (1/28 of 0.7 acres)	0.0312 %	0.0021	0.0020
(2) Garden Realty Corporation c/o Mrs. Betty Boyd King 2370 Lyndhurst Avenue Winston-Salem, NC 27103	1.26 acres	1.5744 %	0.1061	0.1018
(3) E. Keen Heirs	11.51 acres	14.3822 %	0.9691	0.9302
(a) Paul Keen Rt. 1 Box 52 Raven, VA 24639	1.918 acres (1/6 of 11.54 acres)	2.3970 %	0.1615	0.1550
(b) Ralph Keen Rt. 1 Box 52 Raven, VA 24639	1.918 acres (1/6 of 11.54 acres)	2.3970 %	0.1615	0.1550
(c) Arnold Keen Rural Rt. 2 Box 91 Cedar Bluff, VA 24609	1.918 acres (1/6 of 11.54 acres)	2.3970 %	0.1615	0.1550
(d) Ruby Hale Box 731 Cedar Bluff, VA 24609	1.918 acres (1/6 of 11.54 acres)	2.3970 %	0.1615	0.1550
(e) Anna R. Lambert Rt. 1 Box 52 Raven, VA 24639	1.918 acres (1/6 of 11.54 acres)	2.3970 %	0.1615	0.1550
(f) Ann McGowan Rt. 1 Box 52 Raven, VA 24639	1.918 acres (1/6 of 11.54 acres)	2.3970 %	0.1615	0.1550
(4) Vinnie & Tracey Keen Rt. 2 Box 54 Grundy, VA 24614	0.12 acres	0.1499 %	0.0101	0.0097
(5) Orpha Deskins c/o Beecher Deskins Box 23 Shortt Gap, VA 24647	0.38 acres	0.4748 %	0.0320	0.0307
(6) Dailey Wade Rt. 1 Box 68 Raven, VA 24639	2.33 acres	2.9114 %	0.1962	0.1883
(7) Glenn Rose 114 First Avenue Richlands, VA 24641	6.42 acres	8.0220 %	0.5405	0.5189

**Exhibit E**  
**Oakwood Field Unit W-29**  
**VGOB-95/04/18-0499 , 95/04/18-0499-01**  
**Conflicting Ownership**

	<b>Acres in Unit</b>	<b>Percent of Unit</b>	<b>Division of Interest in 4 EAST = 6.738%</b>	<b>Division of Interest in 5 EAST = 6.468%</b>
* (8) Ruth Steele Rt. 1 Box 66 Raven, VA 24639	0.17 acres	0.2124 %	0.0143	0.0137

**0.19 acre tract**

**COAL FEE OWNERSHIP**

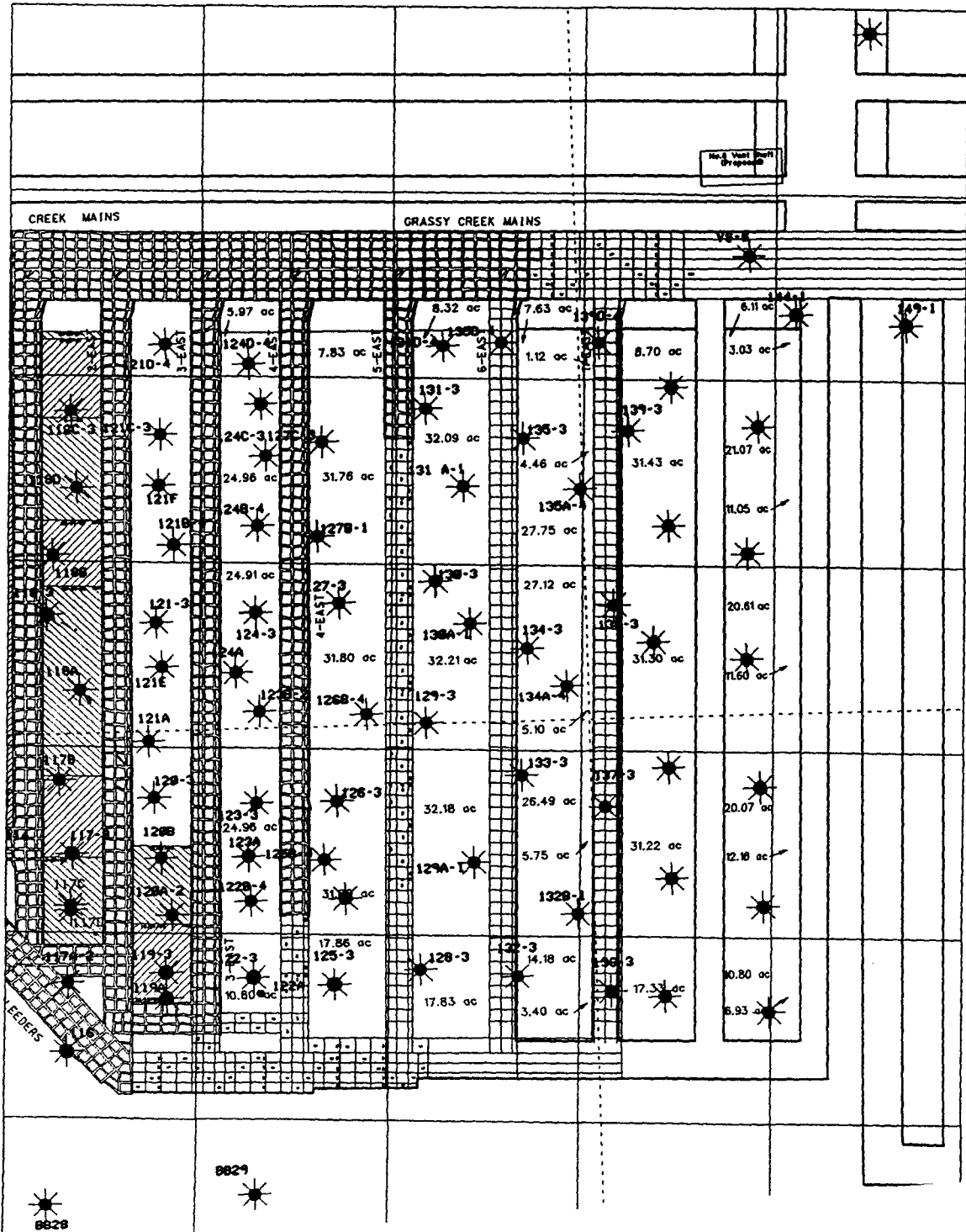
(1) Hugh MacRae Land Trust P.O. Box 29 Tazewell, VA 24651	0.19 acres (TR 2)	0.2380 %	0.0160	0.0154
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**OIL & GAS FEE OWNERSHIP**

(1) E. Keen Heirs	0.19 acres	0.2380 %	0.0160	0.0154
(a) Paul Keen Rt. 1 Box 52 Raven, VA 24639	0.031 acres (1/6 of 0.19 acres)	0.0397 %	0.0027	0.0026
(b) Ralph Keen Rt. 1 Box 52 Raven, VA 24639	0.031 acres (1/6 of 0.19 acres)	0.0397 %	0.0027	0.0026
(c) Arnold Keen Rural Rt. 2 Box 91 Cedar Bluff, VA 24609	0.031 acres (1/6 of 0.19 acres)	0.0397 %	0.0027	0.0026
(d) Ruby Hale Box 731 Cedar Bluff, VA 24609	0.031 acres (1/6 of 0.19 acres)	0.0397 %	0.0027	0.0026
(e) Anna R. Lambert Rt. 1 Box 52 Raven, VA 24639	0.031 acres (1/6 of 0.19 acres)	0.0397 %	0.0027	0.0026
(f) Ann McGowan Rt. 1 Box 52 Raven, VA 24639	0.031 acres (1/6 of 0.19 acres)	0.0397 %	0.0027	0.0026

**\*\*NOTE: Oil and gas owner — CBM leased only.**

VIRGINIA GAS AND OIL BOARD  
DOCKET NO. VGOB-95/04/18-0499, 95/04/18-0499-01  
EXHIBIT G  
BUCHANAN NO. 1 MINE



VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 19th day of December, 1995, at 3:15 P.M. Deed Book No. 444 and Page No. 148. Returned this date to: *Abraham, VA 22012*

TESTE: *Patricia Elmel* James M. Bevins, Jr., Clerk  
TESTE: *Patricia Elmel* Deputy Clerk

# 2915

CLERK'S OFFICE CIRCUIT COURT  
BUCHANAN COUNTY, VIRGINIA  
Filed and admitted to record,  
this 14<sup>th</sup> day of Dec, 1995  
at 3:15 o'clock P. M.  
Recorded Deed Book \_\_\_\_\_ Page \_\_\_\_\_  
039 State Tax \_\_\_\_\_  
213 County Tax \_\_\_\_\_  
212 Transfer 37.00  
301 Recording \_\_\_\_\_  
038 State Tax \_\_\_\_\_  
220 Local Tax 1.00  
145 VSLF \_\_\_\_\_  
Total 38.00  
Teste James M. Bevins, Jr., Clerk  
By \_\_\_\_\_ D.C.

DMM